

April 18, 2003

Governor Robert Ehrlich
The State Capitol
Annapolis, MD 21401

Dear Governor Ehrlich,

I am writing to you on behalf of the Montgomery County Council to urge you not to veto House Bill 753.

A veto by you would, as you know, require the Board of Public Works to cut an additional \$135 million from the state budget, a budget which is already stretched very thin in relation to meeting our state's critical needs. Already state workers are being asked to do more with less. A veto would make that task even more difficult.

On the County level, we are already facing the difficult challenge of closing a \$321 million gap in our \$3 billion budget. We are, of course, beginning with the search for efficiencies in County government and following that up with cuts in critical programs.

Still, cuts and efficiencies alone will not close the gap. The County Executive is proposing increasing our County income tax to the maximum allowed under state law. Rising property tax reassessments are already raising property tax rates three cents per \$100 assessed value above our charter limit. The state's five-cent increase will add to that. In addition, other tax proposals on the table include development impact taxes, increases in energy and telephone levies, and excise taxes on telecommunications and videos. Mindful of the tax burden already on tap, we are reluctant to add to the list, but we may have to.

Of course, the budget approved by the House and Senate made our job all the more difficult. Montgomery County absorbed \$10.3 million in losses from the Highway User Fund, \$5.9 million less in Teacher Challenge Grants, nearly half a million dollars in crime lab costs, nearly \$4 million in social services reimbursements, and an anticipated \$10 million loss with the failure to approve the Transfer of Controlling Interest legislation. Add in some smaller items and this amounts to \$34 million less from the state than expected, adding to our budget challenge.

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Your veto of House Bill 753 would further cripple our ability to meet critical needs in educating our kids, expanding transportation options, providing for our most vulnerable residents, and protecting our community in this post-9/11 world.

While no revenue measure is ever perfect, we believe that the public interest would be served more by passage of House Bill 753 than by the cuts in vital programs on the state and County levels that a veto would cause.

We urge you to do the right thing and allow House Bill 753 to become law.

Sincerely,

Michael L. Subin
Council President